

Marquis Li Pleads Poverty In Court Here

**Tells Judge He Has No
Money; Unable To
Pay Debts**

Marquis Li Kuo-chieh, deposed General Manager of China Merchants' Steam Navigation Company, who was convicted of malfeasance of duty and misappropriation several years ago, pleaded poverty before Judge Wang at the Shanghai District Court in Nantao Wednesday afternoon during the hearing of a civil case in which he is the defendant.

The marquis told the judge that after the inheritance of the Li family was divided among the four brothers (including himself), he has engaged in business enterprises which all went bankrupt. As a result, he has no money nor property, he added.

The court session opened Wednesday afternoon with a report given by Mr. Chiang Ho-chun, counsel for the Ministry of Communications. Mr. Chiang told the court that it was first discovered that the defendant owns the Mao Lu Experimental Farm at Chin Tan Hsien but inquiries made with authorities of that hsen revealed that said property does not now belong to Marquis Li.

Referring to the report that Marquis Li obtained a loan of \$30,000 from the Ningpo Commercial and Savings Bank on the mortgages of bonds of the Chang Hwa Iron Works in Fan Chang Hsien, Anhwei Province on November 25, 1935, Messrs. Chu Jen and Shih Nai-hsiu, representing the bank concerned, told the court that the name given in the application for the loan was Li Wei-hou and that the mortgages presented for it also included a watch with precious stones made in England in addition to \$50,000 worth of bonds of the works in Anhwei.

Messrs. Chu and Shih further told the court that the value of bonds offered for mortgage on the loan in 1935 are now worth only \$5,000. The two lawyers asked that the bank should be allowed the priority of payment in redemption of the loan by the defendant. In reply, Judge Wang instructed that the bank should first submit to the court a list of the properties mortgaged by the defendant and then proceed with the suit for redemption of the loan.

Mr. Chiang, counsel for plaintiff, asked the court to remand the case to enable him to consult the China Merchants' Steam Navigation Company and through that company, the Ministry of Communications as to the disposal of the case.

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MARQUIS LI'S ASSETS BEING SOUGHT

Nantao Court Seeking To Obtain Money In Bribery Case

An order has been issued by the Nantao District Court to Marquis Li Kuo-chieh, former general manager of China Merchants' Steam Navigation Company, requiring him to hand over his share in the company amounting to \$50,000 which he mortgaged some years ago to the Ningpo Commercial and Savings Bank for \$30,000. In issuing the order the court wishes to enable the marquis to return the \$700,000 plus interest, which he paid to a former government superintendent of the company in exchange for the latter's permission to mortgage wharf properties of the company to a foreign firm.

The Marquis was formerly sentenced to prison terms for bribery, but upon acquittal, which he secured after fighting a long legal battle, he was ordered to return the bribe plus interest, which amounts to nearly \$1,200,000. The Marquis has repeatedly failed to pay the installments as ordered by the court. An official investigation has been made in order to ascertain the location of his properties which might be auctioned to meet his obligations, but so far it has not been successful.

After returning to Shanghai from a trip to Peiping Marquis Li was to have appeared at a hearing held on Friday, but he again failed to do so on plea of illness. His lawyers told the court that he had the \$50,000 bonds mortgaged to the above-mentioned bank and the court promptly acted on it. Besides this, his lawyers said, he had no property in Shanghai.

A lawyer for the company, or plaintiffs, asserted that the Marquis owned a farm in Chin Tan Hsien but Marquis Li's lawyers denied this. Both parties to the dispute, however, were asked to investigate the farm report. The court also promised to write to the Chin Tan District Government to ascertain the ownership of the farm.

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File No. M/5

POLICE FORCE
FOR INFORMATION

34/5
16 JAN. 1937

Translation of despatch No. 8 "機總" to
Council from China Merchant Steam Navigation
Company.

Dated 18th January, 1937.

C.M.S.N. Co: Manager

The following instructions, No. 62 (under characters "機總")
dated 8th January 1937, have been received from the Ministry of
Communications :-

"The resignation of Wei Pu-ying (英伯譚,
Assistant Manager of the Company and concurrently Manager of
the Godown and Jetty Administration, having been accepted,
Seng Zung-nyi (毅仲沈) is now appointed to fill
the position of Assistant Manager and the General Manager
is appointed to act concurrently as Manager of the Godown
and Jetty Administration. Apart from submitting a report
and issuing instructions to this effect, the Company is
hereby notified of the changes."

Accordingly, Seng assumed office as Assistant Manager on
11th January, 1937 and the General Manager took up his duties as
Manager of the Godown and Jetty Administration on the same date.
Apart from submitting a report and notifying the parties concerned
the Council is hereby informed of the changes.

(Chopped) Ts'a Tseng-chi (基增蔡)

General Manager

(Note: Received for translation late afternoon 14th January, 1937.)

Note and Return	
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NEW DEPARTMENT IN CHINA MERCHANTS

All Ocean Shipping To
Be Handled Through
Firm's Agents

An Ocean Shipping Department of the China Merchants S.N. Co. Ltd. has been established at 133, Yuen Ming Yuen Road to handle all ocean transportation of cargoes and their transshipment, to and from China. Agents representing the Company have been appointed in all important shipping centres of the world, it is learned.

In order to acquaint the shipping world of this move on the part of the China Merchants, a meeting of various lines and shipping brokers interested in ocean transportation between Europe and China was held at the office of its Ocean Shipping Department at the above address yesterday. The meeting was presided over by Mr. T. K. King, Manager of the Shipping Department of the China Merchants, who explained to those present the steps to be taken by the company in giving effect to the Resolution of the Executive Yuan dated July 3, which provided that the China Merchant Steam Navigation Co., Ltd. shall handle the booking of all ocean freight space for cargoes and merchandise purchased by the National Government and agencies thereof, whether Central, Provisional, Municipal, civil or military.

At the meeting, representatives of interested lines were advised of the agency set-up abroad and the requirement of the China Merchants. The meeting was mainly called to acquaint the European lines on the operations of the Ocean Shipping Department, in order that they may be able to inform their principals and more closely co-operate in giving effect to the Executive Yuan's resolution.

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As a result of the incessant reforms undertaken in the improvement of its services and the efforts at the expansion of its business, the China Merchants Steam Navigation Company has been able to report continued increases in its revenues for the last few months. Compared with showings for the corresponding months in 1935, the Company's receipts from passenger and freight for last July, August and September reveal increases of 11, 48 and 55 per cent. respectively. The revenue for October is \$896,148.14, which exceeds the figure of \$630,932.47 for the same month last year by 42 per cent. This increase is noteworthy in view of the difficulty of navigating in the Yangtze on account of the present low water season.

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The Shanghai Evening Post & Mercury, Wednesday, December 23, 1936

Marquis Li Again Fails To Appear In Nantao Court

Marquis Li Kuo-chieh, former general manager of the China Merchants' Steam Navigation Company, who was ordered by the Nantao District Court to pay \$1,200,000 to the company for the loss sustained as a result of his bribing a government superintendent for the permit to mortgage wharf properties, failed to appear at the hearing yesterday afternoon in the Nantao Court. The hearing was originally scheduled to dispose the properties of Marquis Li to pay his debts but had to be again postponed until his arrival from Peiping.

The attorney appearing for the Marquis, Mr. Eugene Kiang, told the court that his client is now in Peiping and he was unable to leave for Shanghai on account of sickness. Mr. Kiang also told the court that Marquis Li has no personal properties. Marquis Li was released from prison six months ago but he was ordered to refund the bribe money of \$70,000, plus interest, which would amount to \$1,200,000. The wharf agreement between the company and the China Realty Company was declared null and void by the Chinese National Government several years ago.

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Marquis Li Ordered To Pay \$1,200,000 To Company

Hearing Adjourned Once Again As Marquis Fails To
Arrive From Peiping; China Merchants Seek
Li's Property To Dispose Of It

Marquis Li Kuo-chieh, former general manager of the China Merchants' Steam Navigation Company, who has been ordered by the Nantao District Court to pay nearly \$1,200,000 for the loss sustained by the company through his paying a bribe amounting to \$700,000 to the former Government superintendent of the company in exchange for the latter's permission to mortgage wharf properties, and who has so far failed to pay anything, again failed to appear in court yesterday.

The hearing, which originally aimed at disposing of the Marquis' properties in order to fulfil his obligations, was postponed until the accused has returned to Shanghai from Peiping. The Marquis recently went to Peiping as a Government appointee to escort the casket of the late Marshal Tuan Chi-jui to the Western Hills for a state burial.

Plea Of Sickness

Mr. Eugene Kiang, Marquis Li's lawyer, told the court yesterday that, after the last hearing, he immediately informed his client in Peiping of the wish of the court to settle the account as soon as possible. Mr. Kiang said that the Marquis replied that he was sick and could not return to Shanghai to attend the hearing.

The lawyer of the shipping firm requested the court to dispose of the properties belonging to the Marquis, which have already been made known but, Mr. Kiang contended that the Marquis had no properties.

After fighting a long legal battle Marquis Li was released from prison about six months ago, but was ordered to refund the bribe money, plus interest which would amount to nearly \$1,200,000. The company has advertised for informants who can reveal the location of the Marquis' properties, but evidently no good results have been obtained. The wharf mortgage agreement signed between the company and the China Realty Company was declared null and void several years ago by the Chinese Government.

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Properties Of Marquis Li In Danger Of Being Sold

Nantao District Court To Make Decision Regarding Disposal To Satisfy Judgment Over Disposal Of China Merchants Wharf Property

An important hearing, executive in nature, is scheduled to be held on Tuesday, in the Nantao District Court, to dispose of the private properties of Marquis Li Kuo-chieh, former general manager of the China Merchants' Steam Navigation Company who has failed, so far, to pay about \$1,200,000 to make good the loss sustained by the company as a result of his paying an alleged bribe of \$700,000 to a former Government superintendent of the company in exchange for the latter's permission to mortgage wharf properties of the company.

The long legal battle in which the Marquis was the defendant was started more than two years ago after the Chinese government had declared the mortgage agreement null and void. Marquis Li was charged with several crimes in the court, including malfeasance in office, but after a long trial lasting several months he was sentenced to eight months' imprisonment. The

sentence was suspended for two years but the Marquis was ordered to return monies now amounting to nearly \$1,200,000.

Repeated warnings have been issued by the court to the Marquis that the payment must be made but so far Marquis Li has not paid a cent. The court permitted the payment to be made by instalments some months ago but still the Marquis failed to fulfill the obligation. The Company advertised for informants who could report on the location of the Marquis' properties, wishing to sell them in order to obtain cash to refund the alleged bribe money.

Released On Bonds

Marquis Li was released about half a year ago on personal guarantees supplied by two prominent Chinese, Messrs. Li Shih-hou, chairman of the economic committee of the Hopei-Chahar Political Council, and Yu Sheng-shing. Authorities of the shipping company grew impatient and asked the court to make an order of bankruptcy against the Marquis, who opposed the procedure.

The court asked the Marquis to disclose the location of his properties, but the Marquis refused. The situation was further aggravated recently when the Marquis left for Peiping being appointed by the Government to escort the late Marshal Tuan Chi-jui's casket to the former capital for a state burial. Strong action is expected to be taken by the court should the Marquis fail to appear.

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'Cruiser' Amazed At Changes In C.M.S.N.

New Spirit Permeates Staff Personnel; Significant Gains Made In Company Finances; Waste Avoided, Energy Saved

By CHAIKIN

Things happen right under our eyes some times and we can't see it. As an old say has it. We can't see the forest because of the trees.

Now even in Shanghai hasn't a new building seemed to sprout over night like a mushroom. Builders have a habit of hiding these works of art behind bamboo fences and then suddenly stripping them of their outer casing, leaving us to speak the best thing.

Now take the case of the China Merchants Steam Navigation Company—C.M.S.N. for short. It did not even have a bamboo fence in when "they" transferred the office on the Bund and around the corner on Poochow road. Perhaps that's why we never suspected anything was going on.

One day our curiosity was only half aroused by the appearance of a new revolving door at the main entrance on the Bund. As we were in a hurry out that particular day another opportunity to investigate this phenomenon did not present itself for several days. Came the day when we had more time to spare. We noticed something different about the outside windows too. The Chinese Messagerie office was immediately held suspect and without any further procrastination we stepped inside.

Admitted we were. Old Chen with broken nose. You see in the old days we were inclined to view the Chinese Merchants office like an old man with a broken nose. He suffered from a bad case of rheumatism in the joints and everything he tried to do for it seemed to make matters worse. In fact we had a case of a man whose the manager's private secretary. He was so lame that he could not walk. He could not even get up from a chair.

That day we saw a new spirit permeating the staff personnel. The old man with the broken nose was no longer the manager's private secretary. He was now the manager's private secretary. He was no longer the manager's private secretary. He was now the manager's private secretary.

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Peeped inside Mr. King's office. Agents, managers and businessmen kept crowding in one after the other. Checks came hurrying in, hurrying out with special orders. Telephones buzzed, orders were given in snappy tones. There was little argumentation, chewing of the fat. People on the other end of the phone were told to "Get this ship back without further delay. No one keeping her over there another day burning up coal." This was a sample of the general conversation I overheard. There was action and motion here but no confusion.

Backed up by such an able manager of the Shipping Department as Mr. T. K. King, General Manager J. C. Choy has been working wonders in the organization and administration of the veteran and premier Chinese shipping company. Here is a sample of what has been done.

Freights from last freight and passengers increased to 100,000 in September representing a gain of 25 per cent over the same period last year.

Passenger of 11 per cent and 25 per cent in July and August respectively over the corresponding months in 1935.

With the arrival of efficient staff and the adoption of modern methods of management the Chinese Merchants Steam Navigation Company has been able to achieve a remarkable increase in its business. The company has been able to achieve a remarkable increase in its business.

The company has been able to achieve a remarkable increase in its business. The company has been able to achieve a remarkable increase in its business.

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THE NORTH-CHINA DAILY NEWS, TUESDAY, NOVEMBER 17, 1936

MARQUIS LI ASKS FOR PARDON

Claims Acts in C.M.S.N. Co.
Were Under Orders

Nanking, Nov. 16.
An appeal for a special pardon is made by Mr. Li Kuo-chieh (Marquis Li), former general manager of the China Merchants' Steam Navigation Company, in a petition to the National Government and the Executive Yuan.

The petition points out that he was found guilty in connection with certain financial irregularities of the company, but that he was not personally responsible for them since he had merely carried out the orders of his superior authorities, the Ministry of Communications.

The National Government has referred the petition to the Judicial Yuan for consideration.—Kuo Min.

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NOTAL PUBLIC OFFICE
S. D. REGISTRY
S. D. 3475
31 8 36
AUGUST 30, 1936

THE NORTH-CHINA DAILY NEWS, SUNDAY, AUGUST 30, 1936

**MARQUIS LI TO PAY
TO C.M.S.N. CO.**

**Former General Manager
Given One Month's Grace**

Marquis Li Kuo-chih, former general manager of the China Merchants Steam Navigation Co., who was ordered by the Supreme Court to return the Tls. 700,000 commission to the firm, was given another month's grace to make an initial payment of ten per cent. of the total sum.

Marquis Li, who was charged with several other officials of the firm with misappropriation, was bailed out by Mr. Yu Ya-ching and Mr. Li Shih-hou so as to enable him to arrange the payment of the money as ordered by the Supreme Court. The defendant told the court during the trial that the money went to a Nanking supervisor of the firm.

Mr. Eugene Y. B. Kiang, who appeared with Marquis Li in the Nantao District Court, told the judge of his client's inability to pay the ten per cent. owing to financial difficulty. Hence the judge extended the period for another month.

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SHANGHAI MUNICIPAL POLICE

File No. _____

Reference Slip from Headquarters.

THIS SLIP MUST NOT BE DETACHED.

To:	INSTRUCTIONS:
D. C. (Divns)	For disposal ✓
.. (Crime) ✓	Furnish data
.. (S. B.) ✓	Investigate and report
.. (A. & T. R.)	Note and file
.. (J.)	Report present status
.. (C.)	Submit recommendation
(Specials)	For further report
A. C. (Traffic)	For opinion
.. (Sikhs)	Reply to writer direct
D. O. A. Divn.	As instructed
.. B. "	See me in re
.. C. "	Inform Applicant
.. D. "	Draft reply
Supt. of Gaols	For necessary action
Personal Assistant	Attach file
Quartermaster	For information
Pay Office	Comment
Central Registry	For verification
Musketry Officer	
C. C. R.	
Legal Dept.	
Dir. Chinese Studies	

6. D. I. Grubb
(SI) Please note and
file. J.W.G.
27 FEB 1936

Initials..... <i>P.A.</i>	For File.....
Date..... <i>FEB 1936</i>	Date.....

Noted and Returned <i>P.A.</i>	Date <i>1/2/36</i>
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19 FEB. 1936
COPY

Translation of despatch No. 15 to Council
from the China Merchants Steam Navigation
Company.

Dated 18th February, 1936.

C.M.S.N.Co.; Directors, etc.

Order No. 642 dated 8th February, 1936, from the Ministry of
Communications states as follows :-

"Regulations governing the reorganization of the China
Merchants Steam Navigation Company have been amended and
promulgated, and the Supervisory Board and Board of Directors
of the Company have been amalgamated into one body. Owing
to the resignation of Liu Hung-sang, Tsa Tseng-chi, Tei Pah-
yin and Lao Mi have been recommended to the Government to
be the Director, Assistant Director and Acting Assistant
Director of the Company respectively. Apart from notifying
the Directorate of the Boards to this effect, the appointees
are hereby instructed to assume office on 10th February, to
take over the official seals, funds, documents, etc., and to
submit a report."

Instructions have also been received from the National
Government appointing Tsa Tseng-chi to be Director and Tei Pah-yin
Assistant Director; instructions from the Ministry of Communica-
tions appoints Lao Mi to be Acting Assistant Director.

In pursuance of the above instructions we assumed office on
10th February. The Council is asked to take note.

(Chopped) Tsa Tseng-chi

Director



Cheng

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SHANGHAI MUNICIPAL COURT
S. B. REGISTRY
No. S. B. D. 3475
Date 9 6 36

THE NORTH-CHINA DAILY NEWS, MONDAY, JUNE 8, 1936

MARQUIS LI NOW A FREE MAN

Released From Detention on Posting of Security

After being detained for three and half years, Marquis Li Kuo-chieh former general manager of the China Merchants S. N. Co., was a free man last Saturday afternoon.

Marquis Li was sentenced to three years' imprisonment by the Nantao District Court on charge of misappropriations as a result of a conclusion of an alleged illegal agreement with a foreign firm. The prison term was increased to three and half years by the High Court. Marquis Li was dissatisfied and appealed to the Supreme Court which passed a sentence of eight months' imprisonment, suspended for two years, but ordered Marquis Li to pay the China Merchants Tls. 700,000 which, plus interest, amounts to over \$1,000,000.

Last Saturday afternoon, Marquis Li was released on security, Messrs. Yu Ya-ching and Li Tsai-huo being his guarantors.

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(Signature)

MARQUIS LI'S PRISON TERM IS REDUCED

Eight Months' Sentence
Is Postponed For Two
Years; Repayment

As a result of his appeal with the Supreme Court at Nanking, Marquis Li Kuo-chieh, former General Manager of the China Merchants' Steam Navigation Company, who three years ago was sentenced to one year and two months' imprisonment by the Nantao District Court, but who has not yet commenced to serve the sentence, has had his sentence reduced to eight months' imprisonment, postponed for two years, according to the "China Evening News."

Besides the eight months' prison term, Marquis Li was also ordered to return the \$700,000 which he was alleged to have paid to the then Government superintendent of the company in exchange for his approval in mortgaging some valuable properties of the company, including its wharves, to the China Realty Company for a sum running into eight figures.

It was reported that the Supreme Court had also ordered the marquis to pay interest on the \$700,000, which would increase the total sum payable to more than \$1,000,000. Should the accused fail to raise the money his properties would be confiscated.

Ever since passing of the original sentence, Marquis Li has been under strict guard at the Greater Shanghai Hospital on the plea of illness. He owes the hospital more than \$4,000, it is reported.

File
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SHANGHAI GENERAL POST S. B. REGISTRY.
No. <u>D 3475</u>
Date <u>1</u> / <u>11</u> / <u>34</u>

November 1, 1934.

Afternoon translation.

China Times and other local newspapers.

THE CASE OF CHINA MERCHANTS STEAM NAVIGATION
COMPANY MANAGER TO BE RE-TRIED

Li Kuo Chieh, former General Manager of the China Merchants Steam Navigation Company was sentenced some time ago to three years and six months' imprisonment on a charge of embezzlement and neglect of duty. He later filed an appeal with the Supreme Court against this sentence.

It is reported that the Supreme Court has ordered a re-trial of his case. The Kiangsu High Court will despatch judges to Shanghai to hear the case in a few days' time. The Central Government will also detail representatives to watch how the case proceeds because of its importance.

The former General Manager is still detained in the Shanghai Public Hospital at Nantao.

11:4:32

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Please note
and pass to Registry
to file.

JMS

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SHANGHAI MUNICIPAL POLICE

File No. _____

Reference Slip from Headquarters.

THIS SLIP MUST NOT BE DETACHED

To Officers i/c.	INSTRUCTIONS:
D. C. (Divns)	For disposal <i>P</i>
" (Crime)	Furnish data
" (A. & T. R.)	Investigate and report
A. C. (Traffic)	Note and file
" (S. B.) <i>P</i>	Note and return
D. O. A. Divn.	Report present status
" B. "	Submit recommendation
" C. "	For further report
" D. "	For opinion
Supt. of Gaols	Reply to writer direct
Personal Assistant	As instructed
A. C. (Specials)	See me in re :
Quartermaster	Draft reply
Pay Office	Attach file
Central Registry	
Musketry Officer	
Initials <i>Le. Pa</i>	For File
Date <i>9. 4. 32</i>	Date
Noted and Returned <i>File JH 11/4/32</i>	

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SHANGHAI MUNICIPAL C. & S. B. REGISTRY	
No.	D 3475
Date	11.4.32

COPY

Translation of letter to Council from
Li Kuo-kao, Chief Manager, China Merchants'
Steam Navigation Company.
Dated 6th April, 1932.

C.M.S.N.Co.: Chief Manager.

Order No.132 from the Ministry of Communications appoints
Li Kuo-kao to be Chief Manager of the China Merchants' Steam
Navigation Company. The Ministry also sends a copy of the
Regulations governing the functions of the Office of the Super-
intendent, (C.M.S.N.Co.), and a copy of Provisional Regulations
governing the organization of the Office of Chief Manager.

In pursuance of this order the undersigned begs to announce
that he assumed office on the 4th April. The Council is asked to
take note.

(Signed & Chopped) Li Kuo-kao (李國杰)

Chief Manager

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2 APR. 1932